

THE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

United States Department of the Treasury



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**Remarks by Arthur A. Garcia, Director
Community Development Financial Institutions Fund
U.S. Department of the Treasury**

at the

**The State of Wisconsin Office of Financial Institutions'
Native CDFI Summit**

**Radisson Hotel & Conference Center
Green Bay, WI**

Good afternoon! Thank you for your kind introduction and to all of you who have traveled from across the state of Wisconsin to be here for this important discussion. I am glad that I have this opportunity to talk to you about the important activities of the CDFI Fund and how the Fund can help in your efforts to provide financial services and needed capital to your community through the creation of a community development financial institution – or CDFI.

My remarks today will be from two perspectives. First, for those of you whom may not know the CDFI Fund, I'll provide a brief overview of who we are and the programs we administer. Then I'll provide an update for those of you whom we work with already.

[PowerPoint Presentation]

Now, for those in the room that we already work with I want to bring my message to you regarding the status of the CDFI Fund. It is – simply put – “Business as Usual” for the remainder of fiscal year 2005.

Let me be sure that every one of you here today, that does business with the CDFI Fund, understands what “Business as Usual” means. It means that the nearly \$40 million that

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the Fund has available for its award programs this fiscal year will be obligated toward every award program the Fund administers.

“Business as Usual” means that the Fund will continue to review and evaluate all the applications we received under our programs:

- 141 applications received on February 24 for over \$24 million available through the Financial Assistance Component of the CDFI Program;
- 82 applications received for \$2 million available through the Technical Assistance Component of the CDFI Program;
- 31 applications received on February 1st for the Native American CDFI Assistance Program with \$3.9 available; and
- 84 applications received on February 14 for the nearly \$10 million available for the FY 2005 Bank Enterprise Awards Program.

It is my expectation that the Fund has received sufficient quality applications so that every penny of these appropriated funds will be obligated in FY 2005 and awarded for the important work you do in serving economically distressed communities and low-income people throughout the country.

“Business as Usual” applies to more than the Fund’s award cycles this year. As of today, the Fund has certified 746 organizations as CDFIs. “Business as Usual” means that the Fund will continue evaluating all new CDFI certification applications we received by the January 14th deadline.

“Business as Usual” also means that we are moving forward with the implementation of our new \$1.2 million Training program for Native communities – the “Building Native Assets: Native IDA Initiative” through which we will increase the access to financial education and asset building opportunities for your communities.

“Business as Usual” also relates to the current round of the New Markets Tax Credit Program. Two weeks ago Secretary John Snow and I announced the 41 organizations selected to receive \$2 billion in New Markets Tax Credits this round. The Fund also plans to contract for the first independent evaluation of the New Markets Tax Credit Program later this year, as required by the President’s Management Agenda.

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Lastly, the Fund will go forward this year with its plan to have an independent contractor evaluate the Financial Assistance, Technical Assistance and Training Programs. The Fund will be evaluating how it could play an even more meaningful and supportive role to CDFIs through these programs. This independent evaluation will not only assess the results and impact delivered by these programs with taxpayer dollars, but also may suggest ways in which CDFIs believe the Fund's programs could assist them in new ways to increase their scale or sustainability.

I plan to work with my colleagues in the Administration, members of Congress and my colleagues in the community development finance industry over the coming months as we together make support for community and economic development important business for our nation. And please, contact me at any time in the coming year so that we can work together to improve the communities you work so hard in every day.

Thank you.